

Message Text

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11

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 IO-10 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 SAM-01 AID-05 TRSE-00 OMB-01 ACDA-10 EB-07

COME-00 AGR-10 /122 W

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P R 231407Z JUN 75

FM AMEMBASSY NEW DELHI

TO SCSTATE WASHDC PRIORITY 9394

INFO AMEMBASSY ISLAMABAD

AMEMBASSY DACCA

AMEMBASSY KATHMANDU

AMEMBASSY KABUL

AMEMBASSY COLOMBO

AMEMBASSY BRUSSELS

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS SECTION 1 OF 2 NEW DELHI 8255

BRUSSELS PASS TO AMBASSADOR SAXBE

E.O. 11652: N/A

TAGS: PFOR, IN, US

SUBJECT: INDIAN PRESS HIGHLIGHTS AMBASSADOR SAXBE'S COMMENT

THAT CHAVAN STATEMENT WAS THE "OVERTURE WE ARE WAITING
FOR"

1. THE DELHI PRESS JUNE 22 GAVE PROMINENT FRONT PAGE COVERAGE TO
AMBASSADOR SAXBE'S REMARKS AT THE MEETING OF THE ASSOCIATION OF
INDIANS IN AMERICA IN NEW YORK JUNE 21. ONLY THE TIMES OF INDIA
HAD A REPORT FROM ITS OWN CORRESPONDENT ALL OTHER PAPERS USED A
PTI (INDIAN WIRE SERVICE) REPORT. BOTH STORIES FEATURED THE
AMBASSADOR'S COMMENT THAT FOREIGN MINISTER CHAVAN'S STATEMENT
TO THE PARLIAMENTARY CONSULTATIVE COMMITTEE ON EXTERNAL AFFAIRS
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LAST WEEK WAS "THE OVERTURE THAT WE WERE WAITING FOR AND

WE WILL RESPOND TO IT." HEADLINES READ: "INDO-US DIALOGUE TO BE RESUME: SAXBE," "SAXBE: DIALOGUE RESUMPTION IN NEXT FEW WEEKS." "US WILL RESPONDE TO CHAVAN'S PROPOSAL ON TIES," "INDO-US TALKS TO BE RESUMED, SAYS SAXBE."

2. FOLLOWING IS THE FULL TEXT OF THE PTI REPORT:

THE UNITED STATES AMBASSADOR IN INDIA, MR. WILLIAM SAXBE, SAID HERE TODAY THAT THE INTERRUPTED DIALOGUE BETWEEN INDIA AND HIS COUNTRY WOULD BE RESUMED IN THE NEXTFEW WEEKS NOW THAT INDIA HAS SIGNALLED ITS WILLINGNESS FOR THE SAME.

MR. SAXBE HAS BEEN HERE FOR SEVERAL WEEKS AFTER THE BILATERAL RELATIONS BETWEEN THE TWO GOVERNMENTS COOLED OFF ON THE ISSUE OF AMERICAN ARMS TO PAKISTAN. HE WAS SPEAKING AT A RECEPTION GIVEN HIM AND MRS. SAXBE BY THE ASSOCIATION OF INDIANS IN AMERICA. THE ASSOCIATION CLAIMS TO REPRESENT ABOUT A MILLION IMMIGRANTS OF "INDIAN HERITAGE." MR. MANORANJAN DATTA, PRESIDENT OF THE ASSOCIATION, SAID THE MEMBERSHIP TOOK PRIDE IN ITS "INDIAN HERITAGE" AND AMERICAN COMMITMENTS AND WOULD LIKE TO SEE THE TWO LARGEST DEMOCRACIES COME CLOSER.

MR. SAXBE SAID HE WAS HOPEFUL THAT BETTER RELATIONS WOULD PREVAIL BETWEEN THE TWO COUNTRIES. HE WELCOMED THE REPORTED STATEMENT OF THE EXTERNAL AFFAIRS MINISTER, MR. Y.B. CHAVAN, AT A RECENT MEETING OF THE CONSULTATIVE COMMITTEE OF PARLIAMENT ON FOREIGN AFFAIRS THAT INDIA WAS IN FAVOUR OF A DIALOGUE BETWEEN THE TWO COUNTRIES AND THE REACTIVATION OF THE JOINT COMMISSION AND THE SUBCOMMISSIONS.

MR. SAXBE SAID THE U.S. HAD BEEN WAITING FOR THIS "OVERTURE" TO BE MAD AFTER MR. CHAVAN HAD SUMMARILY CANCELLED THE MEETING OF THE JOINT COMMISSION SCHEDULED EARLIER THIS MONTH, WHEN THE ARMS EMBARGO ON PAKISTAN WAS LIFTED. HE SAID HIS COUNTRY WOULD RESPOND TO IT,

ON THE POSSIBLITY OF PRESIDENT FORD'S VISIT TO INDIA DURING 1975, MR. SAXBE SAID HE WOULD CERTAINLY RECOMMEND THAT. HE THOUGHT THAT THE WORLD SITUATION BEING WHAT IT WAS AND THE PRESIDENT'S OTHER SCHEDULES PERMITTING, HE HOPED THAT THE PRESIDENT WOULD UNCLASSIFIED

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VISIT INDIA SOME TIME OR THE OTHER.

WHILE SPEAKING OF IRRITANTS IN INDO-AMERICAN RELATIONS, HE MENTIONED THE ARMS POLICY RELATING TO PAKISTAN AND ALSO THE DEVELOPMENT OF THE U.S. MILITARY BASE AT DIEGO GARCIA. HE SAID THAT NEITHER OF THESE ISSUES HAD BEEN SETTLED. THE DIEGO GARCIA QUESTION WAS STILL "UP IN THE AIR." HE SAID UNLESS OTHER COUNTRIES - MEANING THE SOVIET UNION - BECAME INVOLVED IN INSTALLA-

TIONS IN THE INDIAN OCEAN, THE DIEGO GARCIA MATTER WOULD NOT
MAKE HEADWAY.

ON PAKISTAN. MR. SAXBE, SAID THE U.S. WAS WAITING TO SEE IF
PAKISTAN WAS GOING TO ASK FOR ARMS. "WHETHER THEY WILL ASK FOR
ANYTHING OR WHETHER WE ARE GOING TO SELL THEM REMAINS TO BE SEEN",
HE SAID.

MR. SAXBE SOUGHT TO POINT OUT THAT OTHER COUNTRIES WERE
SELLING ARMS TO PAKISTAN. HE SAID THAT FRANCE HAD ALREADY
SOLD DOLS 300 MILLION WORTH OF ARMS TO PAKISTAN ANDHAD ALSO
WON A CONTRACT FOR THE CONSTRUCTION OF AN AIRFIELD.

MR. SAXBE SOUGHT TO PLAY DOWN THE REASON FOR HIS UNUSUAL ABSENCE
FROM NEW DELHI WITHIN WEEKS OF TAKING OVER AS U.S. AMBASSADOR.
HE SAID HE HAD COME TO THE U.S. TO SEE HIS SON'S GRANDUATION
CEREMONY AND FOR A DENTAL PROBLEM. "WE ARE NOW ANXIOUS TO
GO BACK TO NEW DELHI," HE SAID.

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BRUSSELS PASS TO AMBASSADOR SAXBE

HE CAREFULLY AVOIDED COMMENTING ON THE "LAW SUIT" AGAINST MRS. GANDHI AND THE POLITICAL SITUATION. HE HOPED THAT THE MATTER WOULD BE SETTLED SPEEDILY.

HE SAID THAT RELATIONS BETWEEN THE TWO COUNTRIES WERE WORKING OUT WELL AND WE ARE CONFIDENT WE WILL BEGIN A DIALOGUE AGAIN. WE FEEL THERE ARE MANY AREAS OF MUTUAL INTEREST. I THINK WE HAVE GONE THROUGH A VERY DIFFICULT PERIOD AND THE REASONS, WHATEVER THEY BE, HAVE BEEN COMPLETELY UNDERSTOOD. I WANT TO SAY FLATLY HERE THAT THERE HAS NEVER BEEN A TIME IN THE STATE DEPARTMENT WHEN INDIA HAS NOT BEEN RECOGNISED AS THE LEADING NATION OF SOUTH ASIA. THERE IS NO QUESTION ABOUT IT."

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HE SAID THAT INDIA WAS "IN THE MOVE" AND TREMENDOUS CHANGES WERE TAKING PLACE. WITH THE AVAILABILITY OF LAND AND WATER AND THE ADVANCEMENTS OF AGRICULTURAL TECHNIQUES, THERE WAS NO REASON WHY INDIA WOULD NOT BE ABLE TO FEED ITSELF AND HAVE SURPLUS FOOD FOR EXPORT, WHICH WOULD GIVE INDIA A FAVOURABLE BALANCE OF TRADE. "INDIA IS NOT GOING TO BE ONE OF THE THIRD WORLD, POVERTY STRICKEN, CONSUMER NATIONS," HE SAID. WITH ITS RAW MATERIALS AND TECHNICAL SKILL, INDIA WOULD SOON BE A SUPPLIER TO AFRICA AND MUCH OF ASIA, MR. SAXBE ADDED.

MR. SAXBE SAID THAT FOOD PROSPECTS FOR INDIA THIS YEAR WERE GOOD. IT HAD BEEN SUGGESTED THAT THERE WOULD BE A SUFFICIENCY OF FOOD AND THIS WOULD SAVE TREMENDOUS AMOUNT OF FOREIGN EXCHANGE. HE SAID INDIA WAS AMERICA'S BIGGEST CUSTOMER LAST YEAR FOR THE PURCHASE OF FOOD GRAINS- 4.5 MILLION TONNES - ON PAYMENT OF CASH. CONGRESSMEN IN THE UNITED STATES DID NOT REALISE THE FACT THAT INDIA HAD BEEN BUYING ONE BILLION DOLLARS# WORTH OF GRAIN.

"THIS IS NOT PL-480 SUPPLIES BUT CASH PURCHASES MADE BY INDIA FROM AMERICAN GRAIN MERCHANTSS," HE SAID. HE SAID THAT INFLATION HAD BEEN BROUGHT UNDER CONTROL IN INDIA, BETTER THAN ALMOST IN ANY OTHER COUNTRY, BY TAKING TOUGH MEASURES.

3. FOLLOWING IS FULL TEXT OF TIMES OF INDIA REPORT:

THE FORD ADMINISTRATION HAS WELCOMED MR. Y.B. CHAVAN'S ADDRESS TO THE PARLIAMENTARY CONSULTATIVE COMMITTEE ON EXTERNAL AFFAIRS IN WHICH HE SAID INDIA WAS IN FAVOUR OF A DIALOGUE WITH THE U.S.A. "THIS WAS THE OVERTURE THAT WE WERE WAITING FOR AND WE

WILL RESPOND TO IT," THE AMERICAN AMBASSADOR TO INDIA, MR. WILLIAM SAXBE, SAID WHILE ADDRESSING A DVNNER MEETING OF EXECUTIVES OF ASSOCIATIONS OF INDIANS IN AMERICA REPRESENTING ABOUT A QUARTER OF A MILLION INDIANS IN THIS COUNTRY.

MR. SAXBE SAID INDIA AND THE USA NEEDED EACH OTHER AS FRIENDS. "BUT WE CAN'T BECOME FRIENDS UNLESS WE WANT TO BECOME FRIENDS," HE SAID. GOOD RELATIONS BETWEEN INDIA AND THE USA, THE AMBASSADOR SAID, WOULD BE ESTABLISHED" WHEN BOTH OF US CEASE GETTING OVERTLY RIGHTEOUS WITHOUT MUCH CAUSE."

HE SAID HE DID NOT WANT TO SEE INDIA "WHIP-SAWED" BETWEEN THE UNCLASSIFIED

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MAJOR POWERS IN ASIA.

INSISTING THAT THE TIME HAD COME TO "START THE DIALOGUE AGAIN" - A DIALOGUE THAT HAD BEEN STOPPED WHEN THE FORD ADMINISTRATION HAD DECLARED THAT THE EMBARGO ON ARMS SUPPLIES TO PAKISTAN HAD BEEN LIFTED- MR. SAXBE SAID PAKISTAN HAD NOT MADE ANY REQUEST FOR ARMS NOR HAD THE USA GIVEN IT ANY.

HE REMINDED HIS LISTENERS THAT FRANCE HAD SOLD DOLS 300 MILLION WORTH OF ARMS TO PAKISTAN AND HAD RECENTLY WON A CONTRACT TO BUILD AN AIRPORT. AT THE SAME TIME INDIA, SAID MR. SAXBE, " IS OVERWHELMINGLY POWERFUL" AND " WE DON'T THINK A THREAT EXISTS TO IT."

IN REGARD TO DIEGO GARCIA, THE US ENVOY SAID HE HAD "FIRM ASSURANCES" THAT THE USA WOULD NOT GET IN A BIG WAY"UNLESS OTHER NATIONS GET INVOLVED IN THE INDIAN OCEAN IN SERIOUS INSTALLATIONS."

OBSERVERS, HOWEVER, BELIEVE THAT THIS DOES NOT CORRESPOND WITH FACTS SINCE US INSTALLATIONS IN DIEGO GARCIA HAVE REACHED AN ADVANCED STAGE OF PREPARATION.

MR. SAXBE SAID THERE HAD BEEN DIFFERENCES BETWEEN INDIA AND THE U.S.A. IN REGARD TO INDOCHINA AND REGRETTED THE FACT THAT THE INDIAN ATTITUDE HAD GONE BEYOND""SCOLDING."

WITH THAT POINT OF THE CONTENTION OUT OF THE WAY, THERE WAS ONLY THE WEST ASIA QUESTION THAT REMAINED TO BE SETTLED AND IF THAT WAS DONE "IT WILL REMOVE ANOTHER ELEMENT THAT CAUSES DISSENT." THE AMBASSADOR NOTED.

MR. SAXBE PAID A TRIBUTE TO INDIA'S EFFORTS TO CHECK INFLATION AND SAID INDIA HAD DONE BETTER THAN MANY OTHER COUNTRIES AFFECTED BY THE OIL CRISIS

HE SAID THERE WERE PROSPECTS OF A GOOD CROP THIS YEAR AND THAT INDIA WOULD BE ABLE TO SAVE" A TREMENDOUS AMOUNT OF FOREIGN EXCHANGE." HE POINTED OUT THAT BUT FOR INDIA'S NEED TO IMPORT FOOD, SHE WOULD HAVE BEEN AN EXPORTING AND NOT A CONSUMING NATION. INDIA HAD THE LAND, THE WATER, THE RESOURCES AND THE UNCLASSIFIED

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PEOPLE AND WAS NOT A THIRD WORLD POVERTY-STRICKEN COUNTRY BUT COULD BE A SUPPLIER TO AFRICA AND MUCH OF ASIA, HE STATED.

"I WANT TO SAY FLATLY THAT THERE HAS NEVER BEEN A TIME IN THE STATE DEPARTMENT THAT INDIA HAS NOT BEEN RECOGNISED AS A LEADING NATION IN SOUTH ASIA- NO QUESTION ABOUT IT," HE SAID. SCHNEIDER

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